

## FISCAL NOTE

### SB 3240 - HB 3270

February 19, 2000

**SUMMARY OF BILL:** Repeals the following taxes: State Sales and Use Tax; Local Option Sales and Use Tax; Hall Income Tax; Professional Privilege Tax; Excise Tax; Franchise Tax; Gasoline Tax; and Diesel Tax. The bill has an effective date of June 30, 2004.

#### ESTIMATED FISCAL IMPACT:

##### Decrease State Revenues - Exceeds \$6,399,000,000 FY 04-05

##### Decrease Local Govt. Revenues - Exceeds \$2,139,750,000 FY 04-05

Estimate assumes:

- Based on the proposed FY 00-01 budget revenues from these taxes would be as follows:

<u>Decrease State Revenues</u>	
State Sales and Use Tax	\$4,765,200,000
Hall Income Tax	112,900,000
Professional Privilege Tax	25,000,000
Excise Tax	654,600,000
Franchise Tax	360,900,000
Gasoline Tax	368,200,000
Diesel Tax	<u>112,200,000</u>
TOTAL	\$6,399,000,000

<u>Decrease Local Govt. Revenues</u>	
Local Option Sales and Use Tax	\$1,786,950,000
Hall Income Tax	61,300,000
Excise Tax	24,500,000
Gasoline Tax	227,100,000
Diesel Tax	<u>39,900,000</u>
TOTAL	\$2,139,750,000

- Estimates reflect current rate of collections. Actual impact would be greater by FY 04-05.
- Hall Income Tax is apportioned 5/8th to the state and 3/8ths to local governments.
- Portions of the excise tax, gasoline tax and diesel tax are shared with the local government from which they are generated.
- A one-time increase in state expenditures of approximately \$15,000 for MIS system implementation to close and purge accounts from the tax system.

#### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director